

**Y**our personal belongings are very important to you. The threat of losing them to accident, theft or storm is troubling. To protect against loss or damage to your personal property, such as a boat, make sure you have adequate insurance. Protecting against loss may require special individual coverage. This brochure will help you navigate the sometimes confusing waters of pleasure boat insurance.

Homeowners' insurance policies usually provide only limited coverage for small pleasure boats. Typically, no more than \$1,000 is available to pay for theft or physical damage to the boat, its outboard motor, trailer, and any other equipment or accessories. Coverage for theft is often even more limited than other causes of loss, and frequently requires that the boat be on the property where you live when the loss occurs. Additionally, your homeowners' liability coverage may not extend to your boat, depending on its size and its engine type.

To ensure you have the proper type and amount of coverage for your boat and boating activities, carefully review your homeowners' policy. If the coverage provided by your homeowners' policy is insufficient, additional boat owner's coverage can often be added to your existing homeowner's policy as an endorsement, or can be purchased as a separate policy.

If you are looking to buy boaters insurance, the following information may help you in your decision making:

### **WHAT PERILS ARE NOT COVERED BY A TYPICAL BOATOWNER'S ENDORSEMENT OR POLICY?**

Pleasure boat policies or endorsements provide coverage for "all perils" unless specifically excluded. Some of the typical exclusions are:

- Overheating of engines
- Corrosion or rust
- Weathering
- Marring
- Scratching
- Chipping
- Denting
- Damage during repair or servicing
- Normal wear and tear
- Gradual deterioration
- Mold, infestation or damage from insects, vermin or marine life.

### **WHAT PROPERTY IS USUALLY COVERED?**

Pleasure boat policies or endorsements often state that coverage includes "the boat and all permanently attached equipment". The policy may then list items that are not permanently attached, but are covered as either part of the boat's value, or as a separate limit of insurance. Items that may or may not be considered "permanently attached" under a policy include:

- Anchors
- Batteries
- Bilge pumps
- Boat furniture
- Boat and motor covers
- Cook stoves
- Deck chairs
- Depth finders

- Detachable canopies
- Emergency signaling devices
- Fire extinguishers
- Fittings
- Fuel tanks
- Horns
- Life preservers
- Lights
- Masts
- Mooring cleat & lines
- Motors
- Oars
- Refrigerators
- Seat cushions
- Spars
- Tarpaulins

### **WHAT PROPERTY IS USUALLY NOT COVERED?**

Pleasure boat policies or endorsements usually exclude the following property:

- Beverages and other perishables
- Cameras or video recorders
- Cellular phones
- Clothing
- Food
- Jewelry and other personal articles
- Parasails, hang gliders or other devices designed for flight
- Portable televisions
- Stereos, tape decks or other instruments for recording or reproducing sound
- Scuba and other diving equipment
- Sail, masts or spars while boat is operating in an official race or speed contest
- Watches
- Water skiing equipment

## IS LIABILITY INSURANCE A PART OF BOAT OWNER'S COVERAGE?

Most boat policies provide a stated amount of liability coverage, which pays when an insured becomes legally obligated for damages arising out of the ownership, maintenance, or use of a pleasure boat. The coverage is subject to certain exclusions or limitations, which will vary by company. In addition, liability coverage may be provided as part of your homeowner's policy, depending on the size and type of the boat and motor.

## ON WHAT BASIS ARE LOSSES ADJUSTED?

Policies differ on the settlement of losses. Some offer:

- Replacement cost coverage (cost of replacement or repair)
- Actual cash value (cost or replacement or repair, minus depreciation) or
- Agreed value (an amount agreed upon by both parties to pay for total property loss.)

Understand how losses are adjusted in your policy.

## WHAT KINDS OF PREMIUM DISCOUNTS ARE AVAILABLE?

Various kinds of discounts may be available to help reduce the cost of insuring your boat. Discounts are sometimes given for attending safety courses (such as those sponsored by the Coast Guard or the American Red Cross), having a claim-free record, and buying other lines of insurance from the same company. Ask your insurance agent or company about any available discounts.

**Special note:** Some policies contain restricted navigation territories or time frames. If the boat is operated outside these areas or times, the policy may not provide coverage. Find out if your policy includes any of these restrictions.

## WHERE CAN I GO IF I CAN'T GET COVERAGE FOR AN EXPENSIVE OR HIGH POWERED BOAT?

Surplus lines insurance is an alternative type of insurance coverage for consumers who cannot get coverage in the standard market. These insurers write coverage for high-risk situations, which includes expensive yachts or boats, and high speed/high powered pleasure boats. The higher risk of loss posed by these types of boats will be reflected in higher premium rates than rates associated with standard policies.

## IN CASE OF A STORM WATCH, WHAT STEPS CAN I TAKE TO ENSURE ANY RESULTING DAMAGE IS COVERED ON MY PLEASURE BOAT?

Damage mitigation requirements will usually vary by company. However, many policies state "reasonable measures" should be taken. Review your policy carefully with your agent beforehand.

**Please contact your agent or insurance company for detailed information about your specific policy.**



## Information on PLEASURE BOAT INSURANCE COVERAGE



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